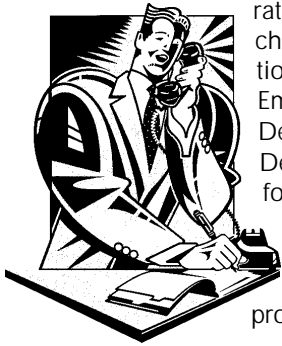




CALIFORNIA EMPLOYER

Tax information and forms by telephone? Easy as 1, 2, 3

Did you know that you can quickly and conveniently obtain employment tax



rates and employer charge information, and request Employment Development Department (EDD) forms by telephone using EDD's automated call processing system?

This system, which annually handles more than 40,000 calls from employers and their representatives, can provide you with information on:

- Tax rates
- Benefit charges

- *Statement of Charges to Reserve Account* (DE 428T)
- *Notice of Employer Contribution Rate/Statement of Reserve Account* (DE 2088)
- Reserve account transfers
- Protests and appeals to benefit charges

In addition, you can also order EDD forms through this system.

Since it was first implemented, this automated call processing system has continually been improved and updated, often as the result of excellent suggestions from employers and the Small Business Employer Advisory Committee.

For example, messages are now more concise, and employer agents may obtain information on multiple account numbers without having to hang up and re-dial.

You may access the services on this system 24-hours a day, seven-days a week by calling **(916) 322-0507**. During regular business hours, calls that cannot be handled by the automated process will be routed directly to an available customer service representative.

A quick reference card for the automated call processing system (form DE 415) that outlines the menu selections and provides some helpful tips for using its services can be obtained by calling the telephone number above, or EDD's Forms Warehouse at (916) 322-2835.

Your help is required to fight fraud and protect the UI Fund

Each quarter, EDD mails *Benefit Audit* forms (DE 1296B) to employers requesting wage information for specific weeks that employees worked. This information is used by EDD to audit Unemployment Insurance (UI) benefit payments made to claimants to detect fraud and protect the integrity of the UI Fund.

The EDD is now doing follow-up contacts with those employers who do not voluntarily respond to these audit requests. As a result, our staff is able to provide the employer with assistance in completing the form, provide replacement audit forms and grant time extensions for completing the audits.

Your cooperation is essential in our joint partnership effort to detect fraud and protect the UI Program. Please complete and return your audit forms promptly.

If you have questions or comments about the benefit audit process, please write to: EDD Overpayment Program, Support Group Manager, MIC 16A,

P.O. Box 3038, Sacramento, CA 95812-3038. Or call (916) 464-2350 or fax (916) 464-2550.

How would you improve the services provided by your local EDD tax office?

The EDD's Employment Tax Customer Service Offices will be holding periodic dialogue meetings with employers and employer agents. These meetings are aimed at improving our customer service, particularly our public service contacts, and education and outreach events. The meetings will be scheduled in locations most convenient to interested participants, and will last about two hours. Meetings will be scheduled for April, May, and June of 1996.



If you are interested in participating in one of these meetings, please send your name, address, telephone number, and the best day of the week and time for you to attend, to: EDD, Customer Service Program Manager, P.O. Box 269069, Sacramento, CA 95826-9069.

Governor proposes tax measures to help California businesses

Although our state's economy is creating jobs at a faster rate than the nation as a whole, California must still compete effectively with other states and nations in the years ahead to ensure the continued health of our economy.

To enhance California's competitive position and provide needed tax relief for the state's businesses—our job creators—Governor Pete Wilson has proposed a set of broad-based and targeted tax measures. These proposals include:

- Raising the threshold under which small businesses may expense rather than depreciate personal property from \$10,000 to \$17,500 to conform to federal tax law.
- A 15 percent reduction in the bank and corporation tax rate, phased in over three years, that will reduce the current rate from 9.3 percent to 7.9 percent by 1999.
- An increase of the state research and development tax credit from 8 to 12 percent for research expenses.
- The expansion of the hiring tax credit for aerospace workers in the Long Beach enterprise zone.
- A doubling of the tax credit, from 12 to 24 percent, for university-based research contracts, crucial for maintaining growth in the state's high technology sectors.

By giving businesses the chance to grow and reinvest, these proposals are expected to create still more jobs and contribute to a secure economic future for California.

New regulation clarifies employment status of interpreters

A new state law requires EDD to adopt regulations to clarify the application of the common law factors used to determine the employment status of language interpreters. The regulation--Section 4304-9, Title 22, California Code Regulations--became effective on October 14, 1995, per Senate Bill 358.

The regulation clarifies existing law and brings relevance to the common law factors as they relate to the language interpreter industry. Specifically, this

section provides factors to be used when applying the common law rules to language interpreters, and clarifies the circumstances under which a language interpreter is an independent contractor or employee.

If you engage the services of language interpreters, EDD recommends that you analyze--on an individual-by-individual basis--the working relationship between your business and your language interpreters to ensure that each

individual is correctly classified in accordance with this regulation.

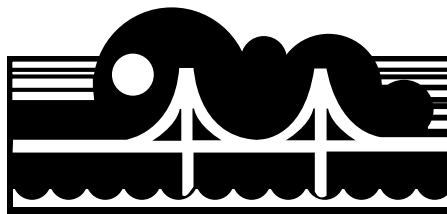
For a formal ruling by EDD regarding the employment status of your language interpreters, you should submit a *Determination of Employment Status for Purposes of State of California Employment Taxes and Personal Income Tax Withholding* form (DE 1870).

If you would like a copy of the new regulation, or a DE 1870 form, or if you have any questions, please contact your nearest Employment Tax Customer Service Office.

Small business fair in S. F. to provide "one-stop" service

Looking for answers to your small business tax questions? Get those answers and more at the Sixth Annual Small Business Fair in San Francisco. This informative event, which is co-sponsored by EDD, brings together a variety of experts from city, county, state and federal agencies in a single location to answer your questions and explain tax laws and regulations.

This "one-stop service" is being provided on Saturday, April 27, from 8:30 a.m. to 3:00 p.m. at San Francisco State University, Cesar Chavez Student Union, 1600 Holloway Avenue, San Francisco.



Representatives from participating agencies will conduct workshops throughout the day to discuss the newest changes in tax laws and requirements for businesses in California. We suggest that you arrive early to get an idea of the day's program and the workshops. For a flyer or more information, please call (415) 929-5700.

Types of compensation subject to PIT modified

A new state law (Senate Bill 298) has modified Section 13020 of the California Unemployment Insurance Code to provide that "...wages, salaries, fees, or other compensation paid by a corporation for services performed in California for that corporation to a nonresident corporate director for director services, including attendance at a board of director's meeting," are not subject to Personal Income Tax withholding, effective January 1, 1996.

Compensation paid by a corporation to a nonresident corporate director for services performed in California that are not in his or her capacity as a director remain subject to the Personal Income Tax withholding requirements of Section 13020. Please contact your local Employment Tax Customer Service Office or the Audit Section at (916) 654-8203 if you have questions regarding this change.

California Employer

This newsletter is published quarterly by California's Employment Development Department of the State Health and Welfare Agency, and is distributed with tax forms to all employers who are subject to the provisions of the California Unemployment Insurance Code.

The EDD, as a recipient of federal and state funds, is an equal opportunity employer/program and is subject to Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA). To obtain information about accommodations for disabilities, contact your local EDD office, listed in your telephone directory under "State of California, Employment Development Department." TDD users can reach EDD through the California Relay Service, 1-800-735-2929.

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